



Local Government Act 1999

1999 CHAPTER 27

PART I

BEST VALUE

Duties

3 The general duty

- (1) A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- (2) For the purpose of deciding how to fulfil the duty arising under subsection (1) an authority must consult—
 - (a) representatives of persons liable to pay any tax, precept or levy to or in respect of the authority,
 - (b) representatives of persons liable to pay non-domestic rates in respect of any area within which the authority carries out functions,
 - (c) representatives of persons who use or are likely to use services provided by the authority, and
 - (d) representatives of persons appearing to the authority to have an interest in any area within which the authority carries out functions.
- (3) For the purposes of subsection (2) “representatives” in relation to a group of persons means persons who appear to the authority to be representative of that group.
- (4) In deciding on—
 - (a) the persons to be consulted, and
 - (b) the form, content and timing of consultations,an authority must have regard to any guidance issued by the Secretary of State.

4 Performance indicators and standards

- (1) The Secretary of State may by order specify—
 - (a) factors (“performance indicators”) by reference to which a best value authority’s performance in exercising functions can be measured;
 - (b) standards (“performance standards”) to be met by best value authorities in relation to performance indicators specified under paragraph (a).
- (2) An order may specify different performance indicators or standards—
 - (a) for different functions;
 - (b) for different authorities;
 - (c) to apply at different times.
- (3) Before specifying performance indicators or standards the Secretary of State shall consult—
 - (a) persons appearing to him to represent the best value authorities concerned, and
 - (b) such other persons (if any) as he thinks fit.
- (4) In specifying performance indicators and standards, and in deciding whether to do so, the Secretary of State—
 - (a) shall aim to promote improvement of the way in which the functions of best value authorities are exercised, having regard to a combination of economy, efficiency and effectiveness, and
 - (b) shall have regard to any recommendations made to him by the Audit Commission.
- (5) In exercising a function a best value authority must meet any applicable performance standard specified under subsection (1)(b).

5 Best value reviews

- (1) A best value authority must conduct best value reviews of its functions in accordance with the provisions of any order made under this section.
- (2) The Secretary of State may by order specify a period within which an authority is to review all its functions, and an order may—
 - (a) apply to one authority or more;
 - (b) make different provision in relation to different authorities;
 - (c) require specified functions to be reviewed in specified financial years.
- (3) In conducting a review an authority—
 - (a) shall aim to improve the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, and
 - (b) shall have regard to any guidance issued by the Secretary of State under this section.
- (4) The Secretary of State may by order specify matters which an authority must include in a review of a function under this section; and in particular an order may require an authority—
 - (a) to consider whether it should be exercising the function;
 - (b) to consider the level at which and the way in which it should be exercising the function;

- (c) to consider its objectives in relation to the exercise of the function;
 - (d) to assess its performance in exercising the function by reference to any performance indicator specified for the function under section 4 or under subsection (6)(a) below;
 - (e) to assess the competitiveness of its performance in exercising the function by reference to the exercise of the same function, or similar functions, by other best value authorities and by commercial and other businesses;
 - (f) to consult other best value authorities and commercial and other businesses about the exercise of the function;
 - (g) to assess its success in meeting any performance standard which applies in relation to the function;
 - (h) to assess its progress towards meeting any relevant performance standard which has been specified but which does not yet apply;
 - (i) to assess its progress towards meeting any relevant performance target set under subsection (6)(b).
- (5) The Secretary of State may issue guidance on—
- (a) the timetable for a review;
 - (b) the procedure for a review;
 - (c) the form in which a review should be recorded;
 - (d) the content of a review.
- (6) In particular, guidance may state that an authority should—
- (a) specify performance indicators in relation to functions;
 - (b) set targets for the performance of functions (“performance targets”) by reference to performance indicators specified under section 4 or under paragraph (a);
 - (c) set a plan of action to be taken for the purposes of meeting a performance target.
- (7) Guidance may state the matters which should be taken into account in setting performance targets; and these may include the range of performances expected to be attained by best value authorities.

6 Best value performance plans

- (1) A best value authority must prepare a best value performance plan for each financial year in accordance with any order made or guidance issued under this section.
- (2) The Secretary of State may by order specify matters which an authority must include in a plan for a financial year; and in particular an order may require an authority—
 - (a) to summarise the authority’s objectives in relation to the exercise of its functions;
 - (b) to summarise any assessment made by the authority of the level at which and the way in which it exercises its functions;
 - (c) to state any period within which the authority is required to review its functions under section 5;
 - (d) to state the timetable the authority proposes to follow in conducting a review;
 - (e) to state any performance indicators, standards and targets specified or set in relation to the authority’s functions;

Status: This is the original version (as it was originally enacted).

- (f) to summarise the authority's assessment of its performance in the previous financial year with regard to performance indicators;
 - (g) to compare that performance with the authority's performance in previous financial years or with the performance of other best value authorities;
 - (h) to summarise its assessment of its success in meeting any performance standard which applied at any time in the previous financial year;
 - (i) to summarise its assessment of its progress towards meeting any performance standard which has been specified but which does not yet apply;
 - (j) to summarise its assessment of its progress towards meeting any performance target;
 - (k) to summarise any plan of action to be taken in the financial year to which the plan relates for the purposes of meeting a performance target;
 - (l) to summarise the basis on which any performance target was set, and any plan of action was determined, in relation to a function reviewed under section 5 in the previous financial year.
- (3) An authority must publish its plan for a financial year before—
- (a) 31st March of the previous financial year, or
 - (b) such other date as the Secretary of State may specify by order.
- (4) The Secretary of State may issue guidance on the form and content of plans and the manner in which they should be published.